ORIGINAL OPEN MEETING AGENDA ITEM



BEFORE THE ARIZONA CORPORATION COMMISSION

² || SUSAN BITTER SMITH, CHAIRMAN

BOB STUMP, COMMISSIONER

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BOB BURNS, COMMISSIONER

DOUG LITTLE, COMMISSIONER

TOM FORESE, COMMISSIONER

IN THE MATTER OF THE APPLICATION OF SUNZIA TRANSMISSION LLC, IN

8 CONFORMANCE WITH THE

REQUIREMENTS OF ARIZONA REVISED

STATUTES 40-360, ET SEQ., FOR A

CERTIFICATE OF ENVIRONMENTAL

COMPATIBILITY AUTHORIZING THE

SUNZIA SOUTHWEST TRANSMISSION

PROJECT, WHICH INCLUDES THE CONSTRUCTION OF TWO NEW 500 KV

TRANSMISSION LINES AND

ASSOCIATED FACILITIES

ORIGINATING AT A NEW SUBSTATION

(SUNZIA EAST) IN LINCOLN COUNTY, NEW MEXICO, AND TERMINATING AT

THE PINAL CENTRAL SUBSTATION IN

PINAL COUNTY, ARIZONA, THE

ARIZONA PORTÍON OF THE PROJECT IS

LOCATED WITHIN GRAHAM,

GREENLEE, COCHISE, PINAL, AND

17 PIMA COUNTIES

2015 DEC 15 P 2:51

AZ CORP COMMISSION DOCKET CONTROL

DOCKET NO. L-00000YY-15-0318-00171

Case NO. 171

REQUEST FOR WRITTEN BRIEFING AND ORAL ARGUMENT

Arizona Corporation Commission

DOCKETED

DEC 15 2015

BOGNETED BY

After thirteen days of hearing, testimony from twelve witnesses, and the introduction of hundreds of exhibits, the Arizona Power Plant and Transmission Line Siting Committee (the "Line Siting Committee") voted to grant SunZia Transmission LLC ("Applicant" or "SunZia") a Certificate of Environmental Compatibility ("CEC") for the SunZia Southwest Transmission Project ("Project"). Eight members of the Line Siting Committee voted in favor of granting the CEC, one abstained, one was absent, and none opposed.

Intervenors Norm Meader, Peter Else, and Christine McVie have now requested review, asking the Commission to overturn the Line Siting Committee's decision and deny the CEC. Ms. McVie also asks for the addition of new conditions in the event the Commission does not deny the CEC.

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The Commission's review of the decision to grant the CEC by the Line Siting Committee must be "on the basis of the record." A.R.S. 40-360.07(B). Given the consequences to SunZia associated with denying the CEC or imposing additional conditions, and to ensure the Commission has a full and fair picture of the evidence presented during the hearing, SunZia respectfully requests that the Commission provide an opportunity for written briefs and oral argument, as provided for in A.R.S. 40-360.07(B).

Discussion

I. The Requests for Review raise new arguments and fail to cite or accurately reflect the extensive record.

Mr. Meader raises six substantive arguments, four of which he raised during the Line Siting Committee hearing and two that he raises now for the first time on appeal. With very limited exceptions, the assertions made in the Request are not supported with any references to the record. Mr. Else asserts the Line Siting Committee committed a procedural error that warrants reversal and argues that the Applicant and the Bureau of Land Management conspired to deceive the Line Siting Committee into approving the Project. Like Mr. Meader's Request, Mr. Else's Request is largely devoid of references to the record to support the assertions and arguments he makes.

Fundamentally, the Requests for Review filed by Mr. Meader and Mr. Else restate (and add to) their arguments before the Committee, but lack evidentiary support and do not reflect the facts actually proven during the hearing. Given the absence of citations to the record in the Requests, written briefing, with citations to the record, is necessary to facilitate the Commission's review "on the basis of the record," as required by A.R.S.40-360.07(B).

II. Ms. McVie asks the Commission to ignore the settlement she reached.

Ms. McVie's proposed condition 38 is a combination of three conditions that she, Mr. Else, and Mr. Meader proposed during the Line Siting Process: Intervenor Proposed Conditions 7, 10 and 18. Her proposed condition 39 is based on Intervenor Proposed Conditions 14 and 15. These conditions were addressed and resolved by Condition 29, an unprecedented condition which was a negotiated compromise among the Applicant, Ms. McVie, and other parties:

CHMN. CHENAL: So Mr. Lofland, let me read the numbers again. I know you want to make absolutely clear. 4, 5, 6, 7, 12 through 20 will be addressed by the language [Condition #29] that the parties worked

the language [Condition #29] that the parties worked out yesterday evening, is that correct?

MR. LOFLAND: Yes, sir.

CHMN. CHENAL: Okay. And the intervenors, is

that correct?

MS. McVIE: That is accurate.

Transcript at 2483:24-2484:7. Unlike any other condition previously adopted by the Line Siting Committee, Condition 29 provides Ms. McVie with an unprecedented opportunity to participate and provide comments regarding the development and drafting of the future Plan of Development for the Project.

Nonetheless, Ms. McVie now seeks more than the compromise she negotiated and asks the Commission to impose conditions that she previously agreed to forego in return for Condition 29. Written briefing is necessary to explain the settlement and the record on which it was reached.

III. Other conditions requested were considered and rejected by the Line Siting Committee for significant legal and policy reasons.

Condition 26 of the CEC is an unprecedented condition to require the use of aerial construction in a portion of the San Pedro River Valley, "subject to the approval of the landowner, ASLD [the Arizona State Land Department]" and taking into account the potential negative consequences of helicopter construction near cultural sites. *See* Condition #26 of the CEC. This condition reflects a carefully crafted compromise developed by the Committee after thorough development and vetting of the record, Ms. McVie's original proposal, and an alternative proposed by the Applicant. *See* Transcript 2609:3 – 2627:21. Unsatisfied with the Line Siting Committee's thorough and thoughtful evaluation of multiple factors, Ms. McVie requests modification of Condition #26 to mandate the use of helicopters throughout the San Pedro River watershed even where there are existing roads and utility easements.

Ms. McVie's proposed conditions 40 and 41 would undercut the reliability benefits of the Project and raise significant concerns regarding conflicts with federal law. Based on its

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careful consideration of the record and applicable laws, the Line Siting Committee considered and rejected conditions similar to those proposed by Ms. McVie. Transcript 2638:14 – 2644:15; 2648:8 – 2651:8; 2653:6 – 2655:12.

Written briefing, with citations to the record, will provide the Commission with the evidence and legal argument needed to fully vet the legal and policy implications of Ms. McVie's requests for modifications and additional conditions.

Conclusion

To assist the Commission in vetting the important legal and policy questions and reviewing the Line Siting Committee's decision on the basis of the record, SunZia requests the opportunity to respond to the intervenors' Requests for Review. The inclusion of new arguments based on new assertions and the absence of citations to the record in support of the Requests further highlights the need for an opportunity for written briefing, with citations to the record, and oral argument.

Because the Commission must confirm, deny or modify the CEC by February 7, 2016, SunZia requests expedited consideration of this procedural request.

DATED this 15th day of December, 2015.

RYLEY CARLOCK & APPLEWHITE

Ву:_//

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